

6. 7. 2000

**STRATEGY AND RESOURCES ANNUAL PLAN WORKING PARTY
16-28 JUNE 2000**

**Meetings of the Strategy and Resources Annual Plan Working Party
were held on 16, 19, 20, 21, 22, 23, 24, 28 June 2000**

PRESENT: Councillor David Close (Chairman),
The Mayor,
Councillors Carole Anderton, Graham Condon,
Anna Crighton, Carole Evans, Ian Howell,
Alister James, Denis O'Rourke, Gail Sheriff,
Barbara Stewart and Ron Wright.

APOLOGIES: Apologies for absence were received and accepted
from the Mayor (16, 19, 20, 21, 22 June),
Councillors Pat Harrow, Graham Condon (22 June),
Alister James (23 June), Ron Wright (24 June) and
Anna Crighton (28 June).

The Working Party reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

DRAFT CHRISTCHURCH CITY COUNCIL PLAN : 2000 EDITION

1. PUBLIC SUBMISSIONS

The draft plan was released on 27 April and was available for public comment for a period of one month from 27 April - 29 May 2000.

This year's draft plan attracted 284 written submissions, raising a total of 443 issues. This represents a considerable decrease on last year's plan which generated 1,355 submissions. It is also lower than the 1998 and 1997 figures. It should be noted that in this year's plan there were no controversial high-profile issues such as the redevelopment of Lancaster Park.

A "business as usual" plan, proposing a modest rates increase to fund a number of new initiatives, and overall public satisfaction with the Council's performance and delivery of services, is seen as the main reason for the reduced level of public participation in this year's consultation process. Experience over the past 10 years has shown that the submission process is very much issue driven so the absence of any major new initiatives could also be a contributing factor.

It is interesting to note the growth in the use of modern communications technology for transmitting submissions. This year, email submissions reached double figures for the first time, with 18 submissions being received by this medium.

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A breakdown by topic of the submissions for the last four years is detailed below:

TOPIC	2000	1999	1998	1997
Air Pollution				105
Art Gallery		366	1	10
Capital Repatriation/Economic Development Fund		544		
Cathedral Square		8		11
City Streets	145	115	61	138
Community/Social Issues	39	68	3	116
Economic Development	5	54	7	34
Environment (including Air Pollution)	41	28	14	47
Financial/Rates/Council Spending	35	53	34	52
Grants	16	30	26	19
Heritage	6	15	4	18
Housing	14	6	5	15
Inner City Promotion		17	17	15
Lancaster Park			246	
Leisure/Events	35	14	8	38
Libraries	1	120	2	62
Millennium Celebrations		13		
Miscellaneous	1	11	3	14
Museum		2	4	1
Parking	11	13	15	20
Parks	47	89	11	77
Waste/Sewerage	39	114	16	41
Water Services	8	16	10	51
TOTALS	443	1696	487	884

2. ANNUAL RESIDENTS' SURVEY

Information from two datasets is available: Preliminary results from the Annual Residents' Survey undertaken in March and April, and results from the questionnaire about the Annual Plan contained in the April City Scene. The Residents' Survey results are attached.

The City Scene questionnaire results are contained in the following clause.

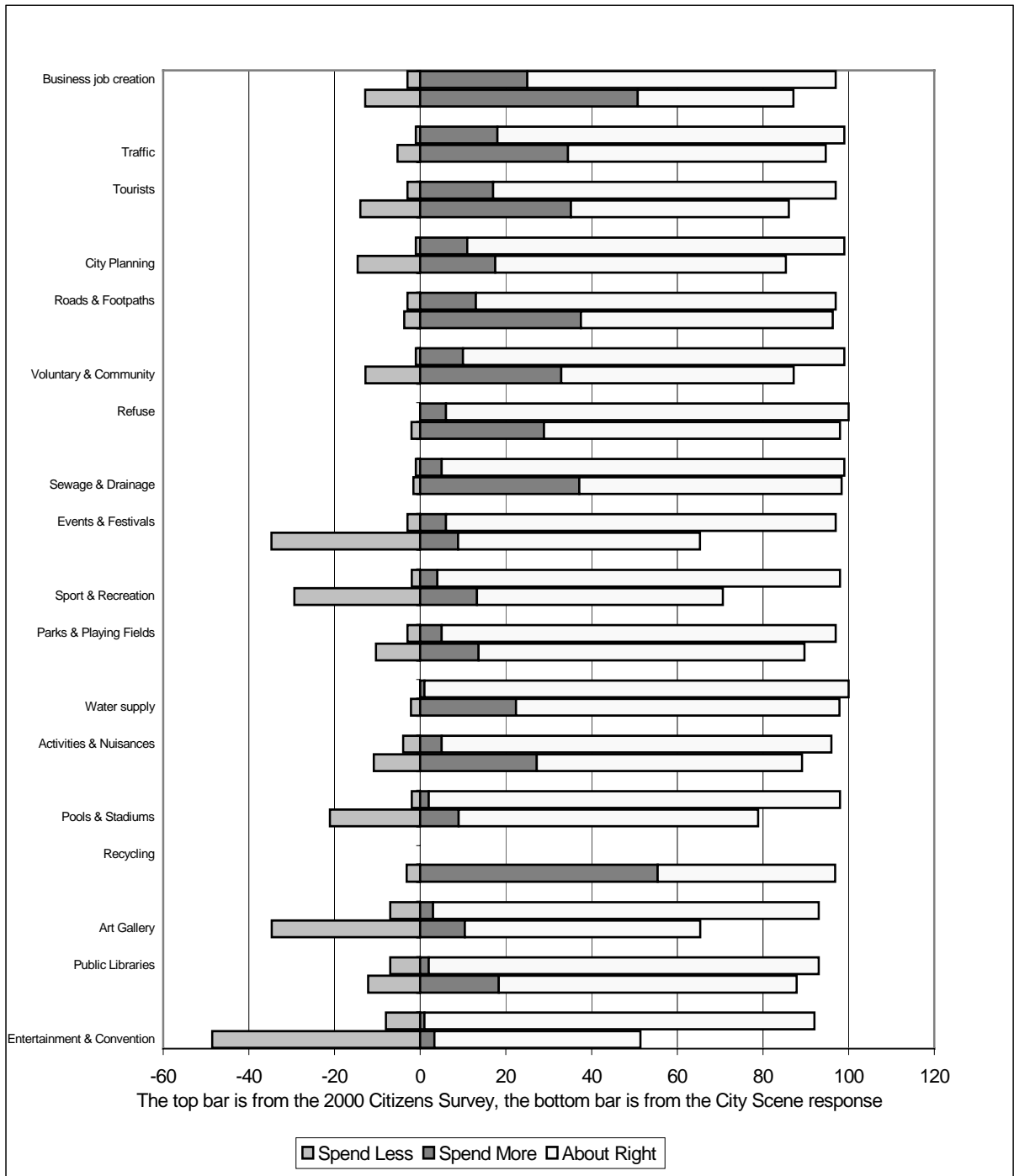
3. CITY SCENE QUESTIONNAIRE

For the third successive year a questionnaire on a range of issues was included in the draft plan edition of City Scene. 1,484 residents completed this year's form. While this is lower than last year's return of 2,200, it is still nearly 100% higher than the 1998 numbers. Clearly, many people appreciate the opportunity to have their say on the issues of the day through the questionnaire process.

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The April issue of Christchurch City Scene contained a questionnaire seeking residents' views on whether the Council should spend more or less on certain services. This was the same question as was asked in the Annual Residents' Survey, which allows comparisons to be drawn between the two data sets. In the following graph, the top bar shows the results from the Annual Residents' Survey taken in March/April 2000, and the bottom bar shows the results from those who responded to the City Scene questionnaire:

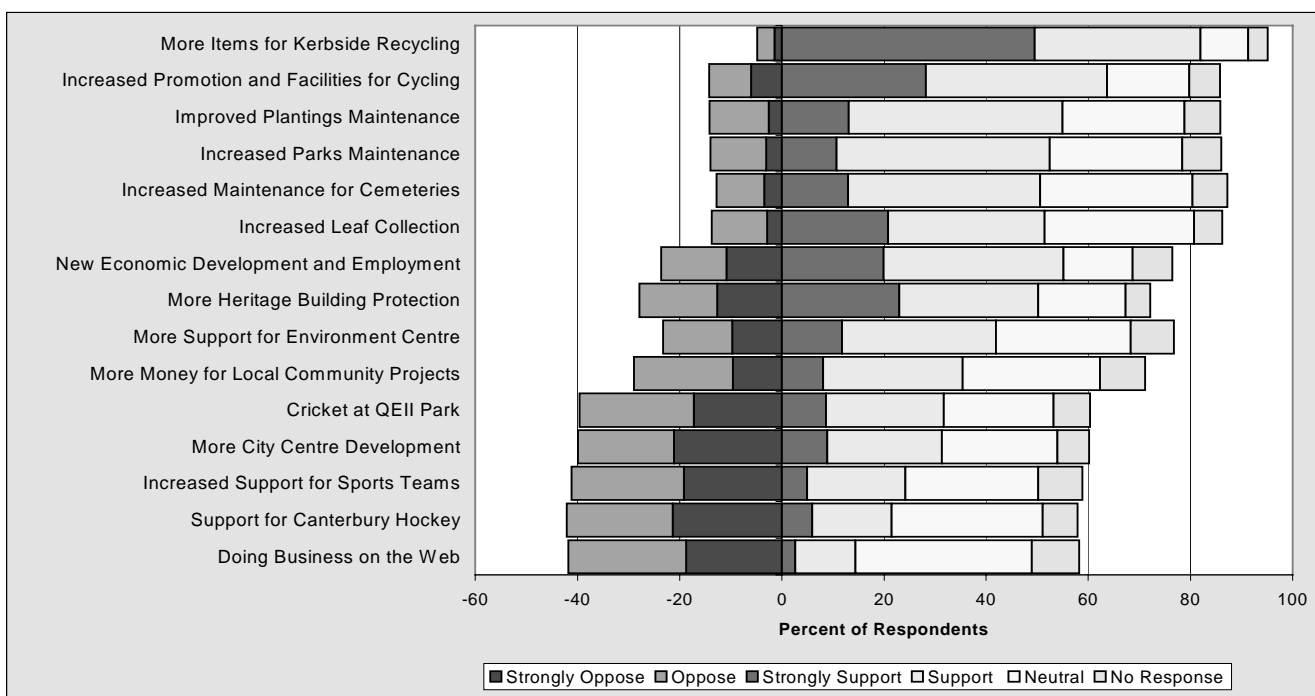


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It is important to note that respondents to the City Scene questionnaire are a self-selecting sample. Only those who feel sufficiently motivated will have returned a questionnaire. It is not possible to infer that their opinions are representative of the citizens of Christchurch as a whole. In fact, it must be noted that the City Scene responses are consistently more negative than the responses from the randomly selected participants in the Residents' Survey.

This negative bias must be borne in mind when considering the results of the other City Scene question, which was whether or not respondents supported the additional spending proposed in the Draft Annual Plan. The responses to that question are shown in the following graph:



4. HEARING OF SUBMISSIONS

The six volumes of submissions, most accompanied by staff comments, were circulated to the working party prior to the hearings.

Submissions were heard over four working days, commencing on Friday 16 June and concluding on Wednesday 21 June 2000, with 90 submitters addressing the working party in support of their submissions. Again, numbers were down on last year's when 120 submitters appeared. However, they are still higher than the 1998 figures and, at approximately 30% of total submissions, exceptionally high in percentage terms. This is, however, in line with the trend which has developed in recent years. In the early 1990s only a small proportion of submitters presented their submissions in person.

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This year, unlike previous years, no major issues emerged from the submission process and no single issue generated significant numbers of submissions. This no doubt reflects the "business as usual" nature of this year's plan. However, this year's consultation was no different from those of previous years in a number of respects: many submitters sought the advancement of projects in the capital programme; concerns continued to be raised about the quality of Christchurch air; and additional funding was sought for a number of new projects and for a range of worthy causes. As well, many submitters took the trouble to forward submissions signifying their support for a number of new initiatives the Council is proposing to fund in this year's plan. A few submitters also took the opportunity to express their views on an issue for next year's plan, namely how the proceeds from the Enerco sale should be applied.

Perhaps the most pleasing part of this year's consultation is the reduction in the number of critical or hostile submissions. Submissions of this nature have been steadily decreasing over recent years.

5. POST HEARING DELIBERATIONS

The working party met on Thursday 22, Friday 23, Saturday 24 and Wednesday 28 June to consider the issues raised in the public submissions and in-house requests for amendments to the 2000 Plan.

Since the Annual Plan was released additional revenue of the order of \$600,000 has come to hand from the following sources:

	year 1	year 2	year 3
Additional waste management revenue	\$353,000		
Additional City Care dividend	\$500,000	\$350,000	\$650,000
CCHL special dividend	\$300,000	\$1,000,000	

As a consequence, the working party has been able to support several quite significant requests for the allocation of additional resources for new projects and also to respond favourably to a number of applications received through the submission process for funding assistance.

Brief details about these projects and most of the other changes to the 2000 Plan being recommended by the working party follow. All changes are listed in the attached schedule.

However, in including this new funding, the working party was conscious of the fact that the draft plan had foreshadowed an overall rate increase of 2.38% and the public expectation for the final figure to be of this order was not unreasonable. To keep the increase within 0.10% of the forecast the working party is recommending that a number of minor reductions be made to a range of projects as follows:

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	Current Additions	Reduced Additions	Savings
Cycle promotions	36,000	25,000	11,000 ongoing
Organic gardening project	60,000	50,000	10,000 ongoing
World Bowls	15,000	12,500	2,500 x 2 yrs
World Youth Touch Tournament	25,000	20,000	5,000
Turning Point 2000	70,000	60,000	10,000
FINA Masters Swimming	35,000	30,000	5,000
E-Council projects	100,000	85,000	15,000
Cathedral Junction maintenance	100,000	75,000	25,000 yr 3 ongoing
Central City Board development projects	90,000	70,000	20,000 x 2 yrs

Recommendation: That the changes listed in the attached schedule of changes recommended by the working party be adopted.

6. AMENDMENTS TO THE 2000 PLAN

The Financial Services Manager submitted a report detailing a number of requests for amendments and corrections to the final version of the 2000 Plan.

These changes have been incorporated in the schedule of corrections and other amendments (attached).

Recommendation: That the changes listed in the attached schedule of corrections and other amendments be adopted.

7. UNDERGROUND CONVERSION OF OVERHEAD SERVICES

The Environment Committee submitted a report outlining the current situation relating to the undergrounding of overhead services and requesting the working party to consider appropriate ways of achieving the Council's policy to underground all overhead services within 40 years.

The Environment Committee advised that it would be necessary to increase the funding for this work from \$2M pa to \$8M pa. The Committee suggested that a more realistic short-term goal would be to increase the funding to \$4.5M to align the undergrounding programme with the kerb and channel renewal programme.

- Recommendation:**
1. That it be noted that it would be necessary to increase funding from \$2M to \$4.5M to install wiring underground in all the streets that are currently being reconstructed.
 2. That this increase be considered in the 2001/02 Annual Plan process.

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3. That consideration be given to using the revenue from the proposed rating of utility services to contribute to the cost of undergrounding overhead services.
4. That input on this issue be sought from the City Services Special Committee outputs and standards review.

8. **JELLIE PARK AND WHARENUI POOLS**

The Leisure Manager reported to the working party, on behalf of the lessees of the above pools, seeking a reduction in their rentals for the coming year. The new Council operated leisure pools have had an adverse impact on these businesses with both complexes experiencing a significant drop in casual use, especially during weekends and school holidays. Reports on both applications will be submitted to the Parks and Recreation Committee for consideration and recommendation to the Council. In the meantime, the working party recommends that provision be made in the 2000 Plan for reduced revenue income from both sources.

Recommendation: That the revenue provision for the Wharenuui Swimming Pool and Jellie Park Pool be reduced by \$50,000.

9. **CAPITAL PROVISION FOR SUNBED REPLACEMENTS**

The Parks and Recreation Committee reported in response to an earlier request of the working party regarding the safety and economic impact of sunbeds in Council-operated recreation facilities.

ECONOMIC IMPACT

Each sunbed requires approximately \$500 for maintenance and \$500 for bulb replacements each year. The life expectancy of each bed is approximately 4 to 5 years and the capital costs vary from \$5,500 to \$8,000 depending on the type of bed.

The estimated (conservative) impact on each facility if sunbeds were not operated is set out below:

QEII	\$11,500 loss of revenue
Sockburn Recreation Centre	\$13,125 loss of revenue
Centennial	\$13,200 loss of revenue
Pioneer	\$14,000 loss of revenue
Total	\$51,825

The above estimate is based on a four year replacement period. However, the life span of each bed could be greater.

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SAFETY ISSUES

The advice of the Council's Health and Safety Team Leader, Donna Burt, was sought on the safety of sunbeds. She comments:

"The evidence available shows that using a sunlamp or sunbed may increase the risk of skin cancer. However, if precautions are taken this risk can be reduced."

The following information is made available to customers at Council facilities:

- Information on facial tanner
- General Safety Precautions
- Recommended Exposure Times
- Ministry of Health Booklet
- Melanoma Information Sheet
- Personal Hygiene
- General Tanning Information for Solariums

On the advice of the Health and Safety Team Leader the following additional safety measures have now been put in place:

1. Eye protection has been made available.
2. The personal hygiene notice has been amended. Customers are requested to wipe down the bed before and after use.
3. All of the above information is visible and readily available to customers.
4. Copies of the Cancer Society booklet are available at all facilities.

Donna Burt states:

"In my opinion the Leisure Unit has taken all steps possible to ensure the safety of clients using the sunbeds"

CURRENT SITUATION

As can be seen from the comments above the sunbeds have a significant impact on Leisure Centre revenue and in operating the sunbeds all steps are taken to advise and protect customers from any harmful effects.

To continue to operate sunbeds in Council facilities provision needs to be made to replace them every four to five years.

The funding currently available in the Leisure Unit's budget for the replacement of sunbeds is detailed below:

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	2000/01	2001/02		
Sockburn Park Recreation Centre	\$5,500	\$5,500		
	2002/03	2003/04	2004/05	
Leisure Centres	\$5,500	\$6,000	6,000	

The latter funding would only allow for the replacement of one sunbed each year. Provision needs to be made for the replacement of three sunbeds each year from 2002/03 onwards.

The Parks and Recreation Committee recommended:

1. That provision of \$5,500 for Sockburn remain in the capital budget up to and including 2001/02.
2. That, from 2002/03 onwards, all three facilities be included in the budget for sunbed replacements, with provision of \$20,500 being made annually for the replacement of three sunbeds.

Recommendation: That the recommendation of the Parks and Recreation Committee be adopted.

10. PIONEER AND CENTENNIAL LEISURE CENTRES - OPERATING COSTS

The Leisure Manager reported, seeking the allocation of the following additional operating funds to enable the current levels of service to be maintained at both the above facilities:

Pioneer Leisure Centre	\$130,000
Centennial Leisure Centre	<u>\$42,000</u>
Total	\$172,000

The working party suggests that the funding shortfall be addressed by increasing total funding to \$122,000 and by a small reduction in operating hours to achieve some cost savings.

Leisure Unit staff also reported that savings of the order of \$5,000 per pool could be achieved by opening the three outdoor swimming pools later in the day. It was advised that pool patronage was very low early in the day and for this reason the working party is recommending that operating hours be reduced and the resultant savings be reflected in the final plan.

- Recommendation:**
1. That the operational budgets for Pioneer Leisure Centre and Centennial Leisure Centre be increased by \$122,000 and that staff be asked to reduce the operating hours or make other adjustments to manage both facilities within the amended budget.
 2. That the operating provision for the three outdoor pools be reduced by \$15,000.

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11. QEII LANDSCAPING AND CAR PARKS

Additional landscaping and car parking facilities are required at QEII to comply with the requirements of the resource consent. Funding has not been provided in the Leisure Unit budget for this work. In noting that \$100,000 has been provided for retention of the hydroslide the working party decided to request the Leisure Manager to report back on the economic impact of this facility on QEII.

Recommendation: 1. That the following sums be added to the Leisure Unit capital budget for the above work:

Year 1 \$130,000
Year 2 \$100,000

2. That the Leisure Manager report on the importance of the hydroslide to the QEII operation, the financial implications of upgrading this attraction and its ongoing use.

12. QEII REVIEW OF REVENUE FORECASTS

The Director of Finance reported, recommending that the revenue provision for QEII be reduced in 2000/01 to avoid a recurrence of the financial problems experienced at QEII in the current year owing to revenue targets not being met. The Director of Finance identified a number of reasons for the likely downturn in revenue, including the impact of the new leisure centres at Pioneer and Centennial on pool patronage and the closure of the existing complex when the new 50m pool opens at the end of the year.

The Director of Finance also identified a clear need for permanent part-time accounting support at QEII to assist in monitoring the financial operation of the complex. The appointee would work under the supervision of the Financial Services Unit.

Recommendation: 1. That the draft revenue figures for 2000/01 be reduced by \$158,300.

2. That provision of \$20,000 be made to fund an accounting support person at QEII.

13. COUNCIL WEBSITE

The Libraries Manager sought an additional \$80,000 for the 2000/01 financial year to provide for two temporary web workers. The additional staff are required to keep pace with the growth in both the content on, and the use of, the web. Between April 1999 and March 2000 the quantity of new content on the web doubled. This growth is expected to continue at an exponential rate for a further two years.

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The working party suggests that additional funding be provided for one further temporary worker and that the possibility of funding the second additional worker from other Council resources be investigated.

- Recommendation:**
1. That an additional \$40,000 be provided in 2000/01 for one additional temporary web worker.
 2. That options be explored for funding the second additional worker from other Council resources.

14. METROPOLITAN DISCRETIONARY FUND

The Community Relations Manager submitted a report outlining the current processes for distribution metropolitan discretionary funds and recommending that the Community Safety Discretionary Fund of \$100,000 be transferred to the Community Services section of the major grants budget.

As the staff proposal will improve the way in which this discretionary fund is administered and relieve some of the pressure on the current funding, the working party fully supported this proposal. The staff report also recommended that the assessment and monitoring process currently used by the Community Relations Unit is extended to these funds to ensure that there is a consistent process used across the various metropolitan funds. As well, staff recommended that several applications for additional grants from the community sector, received through the Annual Plan submission process, be funded from this source. The working party supported this recommendation and its recommendations on the allocation of part of the additional funds are contained elsewhere in this report.

- Recommendation:**
1. That the community safety - discretionary funding of \$100,000 be transferred from the Community Relations budget to the Community Services section of the grants budget.
 2. That the Community Relations Unit be asked to develop a process for recommending the allocation of this additional funding for the 2000/01 financial year.
 3. That the Community Relations Unit staff work with the Leisure Unit to ensure greater co-ordination and consistency in the assessment and monitoring of the various metropolitan grants.

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15. **CATHEDRAL JUNCTION**

The working party noted that the Council has a contingent obligation to underwrite the proposed new development on the former Brittco site. Nevertheless, it is considered that the 2000 Plan should reflect the decisions made at the May Council meeting and make full provision for this possible capital expenditure, together with a conservative revenue recovery spread over several subsequent years. The working party is proposing that the provision for maintenance in year 3 and beyond be reduced by \$25,000 to \$75,000.

Recommendation: That the capital expenditure and operating costs detailed in the schedule be incorporated in the budget and the capital expenditure be recovered at the rate of \$600,000 per annum for five years from 2004/05.

(Councillors Evans and Sheriff requested that their votes against the foregoing recommendation be recorded.)

16. **PROPOSAL TO SET UP AN EVENTS INVESTMENT FUND**

The Director of Business Projects and Relationships submitted a proposal to establish a paid events investment fund to be used to attract events to Christchurch which would not normally come to the city because of cost or logistical considerations.

Recently Christchurch and Canterbury Marketing co-ordinated a meeting of interested parties to explore their willingness to make a one-off contribution to a self-sustaining fund to be used primarily to attract paid events to Christchurch with the objective of increasing visitor numbers during the winter season when visitor activity is traditionally at its lowest level. It is proposed to establish a fund of \$750,000 made up \$300,000 from private sector companies, \$300,000 from the Council, with the additional \$150,000 coming from Jade Stadium Ltd, NCC and Christchurch and Canterbury Marketing Ltd. The fund would be administered by representatives from each of the participating organisations and it is envisaged that a small core group would be set up with authority to invest within agreed criteria usually in joint ventures with promoters to bring significant events to Christchurch.

While the working party generally supported this proposal, it was agreed that, given the many other competing demands for Council funding, the Council contribution should be phased in over a period of three years.

Recommendation: That the Council contribute \$50,000 per year for the next three years to the paid events investment fund.

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17. **SISTER CITY COMMITTEES - FUNDING**

The City Promotions Co-ordinator reported on behalf of the Sister City Committees, seeking additional funding for a number of new initiatives in the 2000/01 financial year.

An additional \$30,000 was requested to be allocated as follows:

Adelaide	\$15,000
Gansu	\$1,000
Kurashiki	\$4,500
Seattle	\$9,500

This request was not supported by the working party mainly on the grounds that the funding was required for tourist-related and economic development projects which were not considered to be part of the core business of the Sister City Committees of developing links at “people to people” level.

Recommendation: That the request for additional funding be declined.

18. **CENTRAL CITY BOARD - INTERIM CAPITAL INVESTMENT FUNDS**

The working party gave consideration to a request for an interim capital fund to be established to enable the Central City Board to initiate central city revitalisation projects. The Council has yet to give formal consideration to the level of funding to be made available to the future Central City Board to stimulate project developments in the central city. As it will be a number of months before the Council will be in a position to decide on the level of capital investment an initial capital fund was sought to enable the Board to initiate projects which require some financial commitment.

- Recommendation:**
1. That the sum of \$2M be provided in 2000/01 as a one-off interim capital investment fund for use by the Central City Board to initiate projects to revitalise the central city, in accordance with the resolution passed at the 22 June 2000 Council meeting.
 2. That before the Board commits any significant expenditure it submit a business case to the Strategy and Resources Committee for its approval for the specific project(s) with an indicative (non-site specific) investment plan.
 3. That the Board’s operational costs of \$155,000 (already included in the draft Plan) be reduced to \$135,000 and be funded for two years only.

(Councillors Evans and Sheriff requested that their votes against the foregoing recommendations be recorded.)

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19. **CENTRAL CITY CONCEPT PLAN DEVELOPMENT**

The Mayoral forum for central city revitalisation has identified the need to develop a central city concept plan to provide a common vision and framework for future central city revitalisation.

The development of the central city concept plan will be a joint effort between the City Council and the Mayoral forum and will guide both Council investment in public facilities and infrastructure, the development of activity of the Central City Board and also facilitate private investment by providing a framework for co-ordination of intentions.

The plan will be developed in two stages with stage 1 providing for general themes and area concepts and stage 2 developing the themes into detailed drawings for specific public projects. No budgetary provision has been made for the concept plan.

- Recommendation:**
1. That \$150,000 per annum be allocated for the development of the central city concept plan for two years.
 2. That consideration be given to adjusting the sums allocated for operating costs between the Central City Board and the Mayoral forum.
 3. That the City Manager be asked to report on an alternative structure for the Mayoral forum and the manner in which the forum will exercise oversight over central city marketing.

20. **CELL PHONE FACILITIES -COMMUNICATION TO RESIDENTS AND RESOURCES FOR PROCESSING ADDITIONAL APPLICATIONS**

Following the amendment to the Council policy to permit telecommunication companies to install cell phone facilities on Council land in certain circumstances, a communications strategy has been developed by the Cell Sites Subcommittee for informing affected residents of such proposals. It is estimated it will cost in the order of \$35,000 to implement the strategy and provision has not been made in the draft plan for this expenditure.

It was reported to the last meeting of the Cell Sites Subcommittee that as many as 200 new cell sites could be required in Christchurch in the next 18 months and that applications for these sites are expected to be submitted in the very near future. The Environmental Services Manager raised concerns about the workload the processing of these applications will create for planning staff and advised that it would not be possible to absorb this additional work within existing resources. The Cell Sites Subcommittee therefore requested that a report be submitted to the Annual Plan Working Party seeking the allocation of additional funding to cover additional salary or consultancy costs.

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The Property Unit has estimated that rental income of approximately \$50,000 will be received from cell phone facility leases on Council land.

- Recommendation:**
1. That an additional \$50,000 be provided in 2000/01 for processing resource consent applications.
 2. That an additional \$35,000 be provided in 2000/01 for cell site consultation.
 3. That additional revenue provision of \$50,000 be made for cell site rentals.
 4. That the rental rates be negotiated to bring them into line with the rental charges for private land.

21. **RICCARTON BUSH TRUST BOARD - LEVY ON COUNCIL TO FUND OPERATIONS**

The Director of Finance reported:

The Riccarton Bush Trust Board Act 1947 requires that the levy be raised by a separate rate with loading on some areas of the City. The maximum amount of levy the Board can impose is \$30,000 pa. Beyond that, the levy is by negotiation with the City and requires approval of the Minister of Local Government. A recent review of the legislation indicates that the method of recovering the levy is currently not strictly in compliance with the legislation which was designed to apportion the levy amongst parts of four former local authorities which adjoined the bush. The levy imposes on the Council the cost of maintaining the rate records for those properties affected and imposes the loading on some but not on others. This was not the practice envisaged in the Funding Policy decision on this output, where straight capital value for general rate is preferred across the whole city. If there was no levy but an operating grant in addition to the project grant the Council would be in compliance with the legislation. The cost of maintaining the rate boundaries would be avoided.

To respect the independent position of the Riccarton Bush Trust Board, the Council should ask the Board to apply for an operating grant, and not levy the Council. The Council should assure the Board that they will not be adversely effected by this change. For both bodies this approach provides consistency between the operating funding and the project (or capital) funding. At any time in the future the Board could revert to the levy system, subject to negotiation for any requirement beyond \$30,000 pa.

- Recommendation:** That the Council invite the Riccarton Bush Trust Board to apply for an operating grant instead of its annual levy.

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22. NEW BRIGHTON - EASTERN END DEVELOPMENT

The working party endorsed a request from the City Design Unit for the budget for the development of the eastern end of the New Brighton Mall to be increased by \$26,680 to cover the cost of removing the existing pavers and planters and resurfacing the entire area.

Recommendation: That additional provision of \$26,680 be made in 2000/01 for the above work.

23. SEPARATE RATE FOR CAR PARKING IN THE CENTRAL CITY

The Funds and Financial Policy Manager reported to the working party on the proposal to provide one hour of free parking in the Council's car parking buildings and to fund the cost by a separate rate.

The report advised that for a separate rate to be valid it may only be levied over the area of benefit. The benefit has to apply only to properties in that area. There must be no spill over benefits otherwise the rate would be subject to legal challenge. The Rating Powers Act is explicit that a separate rate may be for "*undertaking any specified functions or work or for providing any specified service for the benefit of all or part of the district*" and that "*such rate may be made and levied where the function or work or service will benefit **only** part of the district, on every separately rateable property within the part of the district so benefiting*".

Included in the report was the following advice from the Legal Services Manager:

"From case law I believe the following propositions can fairly be drawn in relation to the new separate rate to fund one hour free parking in the car parking buildings.

- (a) The Council should consider whether the expenditure required should be funded out of the general rate, or the use of a separate rate is appropriate;
- (b) If the Council decides a separate rate is appropriate then it must consider whether such a rate should be levied over the whole of the Council's district, or over only part of it.

Regarding the use of separate rates in this type of situation, I believe the following propositions can also be put forward if the Council decides a separate rate is appropriate:

- 1. That as a starting point a territorial authority should make separate rates over the whole of its district;
- 2. That if a clear case with cogent logical reasons can be made out, then a territorial authority can make a separate rate over only part of its district;

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3. That part of the district must be easily identifiable for rating purposes;
4. That in this consideration questions of benefit should be approached on a broad view as to who is likely to benefit, and that a benefit can be potential rather than immediate.

If the Council concludes that the one hour free parking has no benefit whatsoever outside of the central business district, then the Council can make the separate rate. If the Council concludes the one hour free parking in the central city does provide a benefit, even an indirect one outside the central city, then the Council cannot lawfully make a separate rate only on the central city and should fund the proposed from General Rates.”

The report pointed out that not only would it be difficult to determine the boundary area serviced by the car parks but within that area there would be hugely diverse levels of benefit (eg central retail vs upper floor commercial). All properties within the area and sector pay and this would be seen as unfair by some.

In view of the legal and practical difficulties outlined in the staff report, the Committee concluded that it would not be feasible to use this measure to fund the parking incentives scheme.

Recommendation: That the proposal to fund free inner city parking in car parking buildings by a separate rate over part of the city not be pursued.

24. CANTERBURY DEVELOPMENT CORPORATION - NEW/ADDITIONAL PROJECTS

The Canterbury Development Corporation sought additional funding of \$775,000 for six new projects.

The working party recommends that funding totalling \$180,000 be provided in 2000/01 for the three projects described below. The projects are either initiatives the CDC has been requested to undertake by the Council or are projects which have the potential to attract significant Central Government funding.

1. Regional Economic Development Strategy

The Canterbury Forum representing Christchurch, Banks Peninsula, Hurunui, Waimakariri, Selwyn, Kaikoura, Timaru, Ashburton and the Canterbury region have requested that the CDC manage the development of a comprehensive regional economic development strategy. This project involves wide ranging consultation, extensive data modelling, gap analysis, identification of growth sectors and the development of a full set of regional economic development plans including regional subsets.

Estimated costs \$55,000

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2. **Academy- Schools Employment Programme (SEP)**

The Schools Employment Programme is now operating in eight schools in Canterbury, focusing on the lower decile schools in the metropolitan area.

The CCC has committed \$100,000 to SEP up until June 2001. However, it is important that forward planning is done to ensure the programme continues beyond that date.

The opportunity exists to partner with central government agencies and participating schools to develop a long term project with full time staff allocated to each of the eight schools in 2000/01 and to extend the project to other schools in 2002.

CDC share of costs \$75,000

3. **Industry Training Model**

In 1998, CDC piloted a targeted training programme in partnership with a local employer seeking staff specifically skilled for their industry. This first programme resulted in employment for 12 of the 16 participants.

Other local employers have indicated that this method of delivering industry specific training could be a more effective way of workforce preparation.

CDC sought funding to deliver four of these training courses through 2000/01 with an expected outcome of a 75% employment placement rate.

CDC share of costs \$50,000

It will be noted from the attached schedule that the working party is proposing that the sum of \$175,000 be provided in the final plan for unspecified economic development initiatives. It may be possible to fund some of the remaining projects put forward by CDC for funding in 2000/01 if this funding is not required for other economic development purposes.

- Recommendation:**
1. That additional funding of \$180,000 be provided in 2000/01 for the above projects.
 2. That the sum of \$175,000 be allowed in the final plan for unspecified economic development initiatives.

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25. CITY STREETS

The attached schedule details a number of changes to the City Streets budget in 2001 and subsequent years.

In summary, the changes represent an increase of \$278,542 over five years to the capital budget and an increase of \$47,624 in the operational budget.

In supporting the programme changes, the working party requested that the funding allocation for Council works associated with Transit projects be smoothed with the aim of keeping the five year capital expenditure within budget provision.

Recommendation: That the capital and operational changes listed in the attached schedule be approved.

26. CENTRAL CITY MAINTENANCE - ADDITIONAL FUNDING

The City Services Committee sought the working party's support for additional funding to employ one additional person to co-ordinate work in the central city to achieve a higher level of presentation, particularly in pedestrian areas.

The City Services Committee recommended that additional funding of \$40,000 be provided in the 2000/01 budget and beyond for additional resources to obtain a better overall standard of maintenance in the pedestrian and tourist areas of the city.

Recommendation: That the recommendation of the City Services Committee be adopted.

27. PASSENGER TRANSPORT REAL TIME INFORMATION

The proposal to introduce a real time information system for the new bus exchange and the wider Christchurch bus system was the subject of a comprehensive report to the June Council meeting. The Council adopted the City Services Committee's recommendation to implement the new system over a two year period in 2000/01 and 2001/02.

To fund the new system the working party recommends that the following funding be provided in 2000/01 and 2001/02:

	2000/01	2001/02
Stage I	269,880	
Stage II	500,000	1,132,528

Recommendation: That the funding for the real time information system be incorporated in the Annual Plan on the above basis.

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28. CANTERBURY REGIONAL LANDFILL - CAPITAL FUNDING

At its June meeting the Council approved revised funding requirements for the regional landfill.

The changes shown on the attached schedule reflect the Council decisions.

29. CANTERBURY WASTE SUBCOMMITTEE - PUBLICITY - COMMUNICATION ISSUES

The Canterbury Waste Subcommittee (CWSC) sought funding of \$57,000 for a public education campaign to publicise its waste management plans and waste minimisation goals, as well as raising public understanding of the issues.

The CWSC also sought funding of \$37,850 towards the cost of a host Council communications support fund. The site selection process for the new landfill has placed a huge strain on the two TLAs within whose boundaries potential landfill sites have been identified. The CWSC believes that these costs should be shared by all the participating local authorities and has estimated that it will cost approximately \$50,000 to provide the required support over a six month period. The Council's share of this budget is \$37,850.

- Recommendation:**
1. That provision of \$57,000 be made in 2000/01 for the media and publicity campaign.
 2. That provision of \$37,850 be provided in 2000/01 for the Council's share of the cost of a host Council communications support fund.

30. WASTE MANAGEMENT

It will be noted from the attached schedule that two changes are proposed to the above budget.

Firstly, the capital provision for the modifications to the refuse stations has been moved from years 2 and 3 to years 3 and 4, as this work will not be required until the new regional landfill comes on stream in four years' time.

Secondly, the long term operating projections have been amended to correct an error in calculating the increased costs for black bag domestic refuse collection when the new landfill opens. A further \$1.597M has been added to these costs.

- Recommendation:** That the above amendments to the Waste Management budget be approved.

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31. AMENDMENT TO FUNDING POLICY

The Director of Finance reported:

“There is a possibility that owing to revised accounting standards the Council may be required to change its depreciation method. In overall terms any additional costs will be met by a decrease in the operating surplus. However, this is not straightforward where there are separate rates for the function.

In terms of the funding policy two areas are required to be funded fully by separate rate, namely Water Supply and Sewerage Disposal. If the actual depreciation charged is greater for these two activities then the Council would be in breach of the existing Funding Policy as the source of funding would be the general rate and not the separate rate as provided for in the policy. This is because the operating surplus is provided out of the general rate.

The Funding Policy will be fully reviewed during 2000/01 and this will be taken account of for 2001/02. In the meantime I consider that it would be prudent to make a minor amendment to the funding policy to allow for any extra depreciation to be funded from the general rate. This is only a precautionary move but as the variation in separate rate depreciation under a different method of calculation could amount to up to \$3.6 million it may prevent any technicalities arising on this issue as part of the audit for the year ending June 2001.

To cover this point the following additional clauses should be added to the text of the annual plan:

Page 13 - Depreciation - There is a possibility that the LRARA depreciation method may no longer be acceptable due to a change in accounting standards. If this happens then any increased depreciation charge will be funded by general rate from a reduction in the level of the budgeted operating surplus.

Page 27 - Funding Policy change - The Council has approved a minor change in the funding policy to allow for any increase in depreciation for activities normally funded by a separate rate to be funded by the general rate across the whole city if there are insufficient funds available in a particular separate rate.”

Recommendation: That the above change in the Funding Policy be approved and reflected in the 2000 Plan.

32. RATES RELIEF

The Financial Services Manager reported to the working party outlining the rates relief measures which are currently available to low income ratepayers. The measures include:

1. Rates rebate scheme
2. Mayor's Welfare Fund
3. Rates postponements
4. Remission of penalties
5. Accommodation supplement

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The report showed how the current rates rebate scheme had been so overtaken by inflation that it is quite ineffectual.

The purpose of a rates rebate scheme is to deal with the relatively small number of ratepayers of low income who find that changing land values have pushed up their rates excessively. A rebate scheme should be designed not to provide reductions to all low income ratepayers, but to those for whom there is a discrepancy between above-average rates and below-average income.

As the current Government is favourably disposed towards an effective rates rebate scheme, the working party suggests that some effort be put into developing a simple, practical scheme that would not be too costly for the Government to implement.

In the meantime, staff will continue to publicise the rates relief measures available to low income ratepayers and to encourage ratepayers who are experiencing problems in paying their rates to contact the Council for advice on the assistance available to them.

Recommendation: That a subcommittee comprising Councillors Close, Anderton and Stewart be appointed to work with staff to prepare a proposal for an updated rates rebate scheme as part of the funding policy review.

33. CHRISTCHURCH CITY COUNCIL PLAN - PROPOSED CHANGE OF TITLE

In the course of hearing this year's submissions on the draft plan reference was made to the confusion created by the similarity of the names of two of the Council's most important documents - the City Plan and the Christchurch City Council Plan. The working party endorsed these concerns and recommends that the official name of the document commonly referred to as the "Annual Plan" be changed.

Recommendation: That the Christchurch City Council Plan : (year) Edition be renamed the Christchurch City Council Financial Plan and Programme: (year) Edition.

34. WORKING PARTY'S RECOMMENDATIONS ON THE COMMUNITY BOARD AND PUBLIC SUBMISSIONS

1. That, in response to a request from the Fendalton/Waimairi Community Board, the Wilfrid Street kerb and channel renewal be substituted for Webb Street kerb and channel renewal in 2003/04 and the Webb Street reconstruction be rescheduled to 2005/06 in the five year programme.

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2. That, in response to a request from the Riccarton/Wigram Community Board, the replacement of the Kyle Park toilet facilities be advanced to 2002/03 by way of substitution with the Templeton Domain toilet replacement project.
3. (a) That the Spreydon/Heathcote Community Board's request for an allocation of funding for the replacement of the Cracroft Reserve (Sign of Takahe) toilets be supported.
(b) That \$80,000 be allocated for the project from the 2001/02 unspecified capital sum.
4. That the Director of Finance be requested to report to the Council on the request made by Canterbury Agricultural Park for financial support, with a target of the September round of meetings.
5. (a) That the application from the Cotswold Preschool and Nursery for Council funding assistance of \$15,000 to meet a funding shortfall for the purchase of the building they currently occupy be considered when the outcome of their application to the Community Trust is known.
(b) That the Cotswold Preschool and Nursery be asked to inform the Council of the outcome of their application to the Community Trust.
6. That the following additional grants be made to the organisations listed below, the funding to be found from the metropolitan community service discretionary funds transferred to the major grants budget:

Canterbury Volunteer Centre	\$5,000
Christchurch Council of Social Services	\$5,000
Christchurch Safer Community Council	\$5,000
Wai Ora Trust	\$25,000
Te Runanga O Nga Maata Waka	\$20,000
7. (a) That it be noted that most of the Canterbury Employers' Chamber of Commerce's submissions are in line with Council policy and intentions.
(b) That the Council add the following strategic goal relating to the efficiency of services to its 2000 plan:

"Continue to improve efficiency in the delivery of Council activities and programmes and measure the value created through efficiency gains."

(This new strategic objective would become objective (F7) and be included under financial stewardship.)
8. That the request of the Riccarton Business Association for a grant of \$20,000 for the preparation of a redevelopment plan for the Riccarton commercial area be referred to the Riccarton/Wigram Community Board.

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9. (a) That subject to agreement with Housing New Zealand, the Council's share of the position of Housing Advocate/Community Housing Officer (\$20,000) be funded from the Housing Account.
- (b) That Housing New Zealand be thanked for the offer of contributions to a skateboard area and graffiti wall in Wainoni Park and that the offer be referred to the Burwood/Pegasus Community Board.
10. That, in response to a request from several Christchurch Chinese organisations, the Council contribute \$10,000 per annum for three years to the position of Asian Youth Co-ordinator.
11. (a) That the organisers of the Buskers' Festival be informed that the Council will review funding following the implementation of the Events Strategy.
- (b) That the Council take steps to protect its intellectual property in the festival which it has funded.
12. That the New Zealand Centre for Global Peacebuilding and Conflict Resolution be invited to consider applying for a grant from the events seeding fund for a "summer school".
13. That the Birdlands Sanctuary Trust be informed that the Council cannot consider purchasing the land occupied by the Birdlands Sanctuary.
14. That the request from Canterbury Opera for additional funding be declined and Canterbury Opera be informed that the Council would welcome discussions on a concert "Aida" in 2001/02.
15. That the New Zealand Conservation Trust be informed that the Council regrets it is not able to continue funding the Trust.
16. That the application from the New Zealand Spinal Trust for a grant of \$20,000 towards the development of a walkway on Mt Vernon Park be approved and that the Parks Unit's operating budget be increased by a corresponding sum.
17. (a) That the Rannerdale Trust be informed that the funding of hospital care facilities lies outside what the Council considers to be the responsibility of local government.
- (b) That the Community Services Committee be asked to maintain contact with the Trustees.
18. That the Ferrymead grant be increased from \$105,000 to \$120,000.

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19. That the Spreydon/Heathcote Funding Committee be advised that the Council will consider increasing the community development fund in the 2001/02 Annual Plan process.
20. That the Council make an annual grant to Te Runanga O Nga Maata Waka of \$25,000 per annum for three years in addition to the \$20,000 allocated from the community initiatives/major grants fund.
21. (a) That the Council reconsider the request from the Riccarton Bush Trust for more capital when it has completed its current capital works programme for which it has over \$500,000 in hand.

(b) That the Director of Finance and the Parks Manager be asked to recommend an appropriate sum for an annual operating grant for 2001/02.
22. That the Council decline to fund the Military Museum proposal of the Third Field Regiment Trust pending advice from the Director of the Canterbury Museum about the most appropriate way of conserving and displaying the Regiment's collections.
23. That the sum of \$12,000 be included in the core funded events budget for the Carols by Candlelight Concert.
24. That the request from the Orton Bradley Park Board for concert funding be declined as the Council's base grant to the Trust has been increased from \$20,000 to \$30,000 a year.
25. That the application for additional funding of \$10,000 from the Refugee and Migrant Centre be referred to the Community Services Committee for consideration for funding from the social initiatives fund.
26. That the Arts and Industry Trust be informed that the Council is not able to fund the Trust beyond the major works it has funded.
27. That the proposal from the Medical Research Foundation for a graduate medical school be referred to the Canterbury Development Corporation for consideration as a future economic development initiative.
28. That the request from Oscar Network in Christchurch Inc for additional funding be considered in the 2001/02 Annual Plan process.
29. That the Council decision to sell the parcel of land it owns at the corner of Pages and Woodham Roads be confirmed and the Christchurch East Electorate of the New Zealand Labour Party be advised accordingly.

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30. That, in response to a request from the Taylors Mistake Residents' Association, provision of \$30,000 be made in 2001/02 for the installation of a new playground at Taylors Mistake and the provision for playground upgrades in the same year be reduced by a corresponding sum.
31. (a) That funding for the existing Environment Centre be continued on a pro-rata basis within current funding provisions, pending the development of a new centre.
(b) That the existing Environment Centre be invited to participate fully in the planning of the new centre.
(c) That the Council confirm that the new centre is to be developed and operated within the financial allocations already made.
32. That the submitters seeking funding for organic/community garden initiatives be advised that the Community Boards are better placed than the Council to evaluate and fund local gardening and composting initiatives.
33. That funding of \$10,000 per annum for three years be provided for the Canterbury High Performance Sports Centre.
34. That the submissions raising the issue of testing vehicles for emissions be brought to the attention of the CCC/EC Joint Committee.
35. That the submission from Rex Verity on the enclosed composting plant be referred to the Waste Manager for investigation.
36. That the submission from the Riccarton Kids First Kindergarten seeking the advancement of the kerb and channel renewal work in Harakeke Street be referred to the Riccarton/Wigram Community Board for consideration for possible project substitutions.
37. That responses be forwarded to the remaining submitters in line with the comments provided by staff.

35. NET REQUIREMENT FROM RATES

The net overall rate increase, including the changes recommended by the working party, is 2.48%. This represents a rate requirement of \$128.88M GST exclusive.

- Recommendation:**
1. That the Council adopt a 2.48% overall rate increase.
 2. That the Christchurch City Council Financial Plan and Programme : 2000 Edition, as amended, be adopted.

6. 7. 2000

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3. That the Christchurch City Council Corporate Plan : 2000 Edition, as amended, be adopted.
4. That public notice be given that at its meeting on 27 July 2000 the Council will consider a resolution to make and levy rates in accordance with the approved Christchurch City Council Financial Plan and Programme : 2000 Edition.

CONSIDERED THIS 6TH DAY OF JULY 2000

MAYOR